

Representative Trevor Lee proposes the following substitute bill:

PROHIBITION OF PRODUCTION OF PRIVATE KEYS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Trevor Lee

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill provides protection for private personal digital data.

Highlighted Provisions:

This bill:

- ▶ defines terms; and
- ▶ provides protection to a person from being compelled to produce the person's private electronic key that provides access to the person's digital assets, identity, or other interest.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

13-62-101, as enacted by Laws of Utah 2022, Chapter 448

ENACTS:

13-62-103, Utah Code Annotated 1953



26 *Be it enacted by the Legislature of the state of Utah:*

27 Section 1. Section **13-62-101** is amended to read:

28 **13-62-101. Definitions.**

29 As used in this chapter:

30 (1) "Agent" means a person who is authorized to act on behalf of an owner with respect
31 to a digital asset.

32 (2) "Control" means:

33 (a) an owner or an agent has the exclusive legal authority to conduct a transaction
34 relating to the digital asset, including by means of a private key or the use of a multi-signature
35 arrangement the owner or agent authorizes; or

36 (b) a secured party has created a smart contract [~~which~~] that gives the secured party
37 exclusive legal authority to conduct a transaction relating to a digital security.

38 (3) (a) "Digital asset" means a representation of economic, proprietary, or access rights
39 that is stored in a computer readable format.

40 (b) "Digital asset" includes:

41 (i) a digital user asset; or

42 (ii) a digital security.

43 (4) "Digital security" means a digital asset [~~which~~] that constitutes a security, as that
44 term is defined in Section [70A-8-101](#).

45 (5) (a) "Digital user asset" means a digital asset that is used or bought primarily for
46 consumptive, personal, or household purposes.

47 (b) "Digital user asset" includes an open blockchain token.

48 (c) "Digital user asset" does not include a digital security.

49 (6) "Multi-signature arrangement" means a system of access control relating to a digital
50 asset for the purposes of preventing unauthorized transactions relating to the digital asset, in
51 which two or more private keys are required to conduct a transaction.

52 (7) "Private key" means a unique element of cryptographic data[~~, which~~] that is:

53 (a) held by a person;

54 (b) paired with a [~~unique, publicly available element of cryptographic data~~] public key;

55 and

56 (c) [~~associated with an algorithm that is necessary to carry out an encryption or~~

57 ~~decryption required to execute a transaction.]~~ used to digitally sign a transaction.

58 (8) "Public key" means a unique element of cryptographic data that:

59 (a) is publicly available;

60 (b) is paired with a private key that is held by the owner of the public key; and

61 (c) allows viewing, but not digitally signing, electronic transactions.

62 ~~[(8)]~~ (9) "Smart contract" means a transaction [which] that is comprised of code, script,

63 or programming language that executes the terms of an agreement, and which may include

64 taking custody of and transferring a digital asset, or issuing executable instructions for these

65 actions, based on the occurrence or nonoccurrence of specified conditions.

66 Section 2. Section **13-62-103** is enacted to read:

67 **13-62-103. Protection of private keys.**

68 (1) (a) Except as provided in Subsection (1)(b), a person may not be compelled to

69 produce a private key, or any components that allow the derivation of a private key, or make a

70 private key known to any other person in any civil, criminal, administrative, legislative, or

71 other proceeding in the state that relates to a digital asset, digital identity, or other interest or

72 right to which the private key provides access.

73 (b) A person may be compelled in a civil, criminal, administrative, legislative, or other

74 lawful proceeding in the state to produce a private key if a public key is unavailable or unable

75 to disclose the information requested to be obtained.

76 (2) A person may be compelled by court order to:

77 (a) produce, sell, transfer, convey, or disclose a digital asset, digital identity, or other

78 interest or right to which a private key provides access; or

79 (b) disclose information about the digital asset, digital identity, or other interest or

80 right.

81 Section 3. **Effective date.**

82 This bill takes effect on May 1, 2024.